TOARC 2015 ANNUAL REPORT

rehabilitating legacy
pits and quarries

BOARD OF DIRECTORS

2015

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Kerry Doughty

REPRESENTING THE MINISTRY OF NATURAL RESOURCES AND FORESTRY AS AN "EX OFFICIO MEMBER"
Monique Rolf von den Baumen-Clark

2016

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John Moroz | Chairman of the Board
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REPRESENTING A CONSERVATION OR ENVIRONMENTAL ORGANIZATION
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REPRESENTING THE ASSOCIATION OF MUNICIPALITIES OF ONTARIO (AMO)
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REPRESENTING THE MINISTRY OF NATURAL RESOURCES AND FORESTRY AS AN "EX OFFICIO MEMBER"
Monique Rolf von den Baumen-Clark

PROJECT #M-058

May 30, 2016

Honourable Bill Mauro
Minister of Natural Resources and Forestry
Suite 6630, 6th Floor, Whitney Block
99 Wellesley Street West
Toronto, Ontario M7A 1W3

Minister Mauro:

On behalf of the Board of Directors, I am pleased to submit the 2015 Annual Report of The Ontario Aggregate Resources Corporation.

This annual report includes audited financial statements for the Aggregate Resources Trust and The Ontario Aggregate Resources Corporation for the fiscal year ended December 31, 2015. Included within the financial statements for the Aggregate Resources Trust is a schedule of rehabilitation costs for projects completed by the Management of Abandoned Aggregate Properties (MAAP) program in 2015.

The report also reviews a number of the rehabilitation projects undertaken by the MAAP program along with research funded by the Abandoned Pits & Quarries Rehabilitation Fund. I draw your attention to a sampling of photographs throughout the report that show former extraction sites that have been rehabilitated by the MAAP program to productive ecosystems.

Yours truly,

John Moroz
Chairman of the Board

CHAIRMAN'S MESSAGE

2015

I am pleased as the new Chairman to have this opportunity to review with you the affairs of the Aggregate Resources Trust (the Trust) and The Ontario Aggregate Resources Corporation (TOARC). As trustee, TOARC is responsible for implementing the Trust Purposes as described in the Trust Indenture. One of the primary functions is the collection of aggregate resource fees and their disbursement to the municipal governments and the Province.

Aggregate production from licenced sources in 2014 rose to 142 million tonnes, up from the 132 million tonnes of 2013. However, this is still significantly below the levels experienced from 2001-2011.

Total fees of $18.8 million were collected and disbursed amongst recipients as follows:

	($ Million)
Local Municipalities	8.9
Counties & Regions	2.2
MAAP Program	0.7
Province (From Licence Fees)	5.2
Province (From Royalties And Permit Fees)	1.8
Total	18.8

Management of the Abandoned Pits and Quarries Rehabilitation Fund (Legacy sites) including rehabilitation of these sites under the MAAP program is another primary function of TOARC. In 2015 the MAAP Program commenced work on 23 new sites at a cost of over $396,000. The work consisted of 12 sites in the County of Hastings, 9 in the County of Grey, 1 in Algoma District and 1 in Wellington County. Total work performed in 2015 exceeded $475,000 as carry over work was completed on 2013 and 2014 projects.

The total file count of legacy sites in the province remains at 7990 in our eMAAP database. With 4875 files now closed, there still remain 3115 sites that need to be dealt with and an expectation that approximately 2900 sites will require intervention.

The listing by category of closed files now stands as follows:

Developed	589
Licensed	262
No Historical extraction	347*
Naturalized (to create new habitat)	1693
Rehabilitated (by owner)	558
Situated on Crown Land	222
Landowner Not Interested	742
Rehabilitated by MAAP/MNR	462
Total Files Closed	4,875

*Files where no disturbances could be found or where it was determined the site disturbance was not a result of aggregate extraction.

PROJECT #14-04

Research on aggregate resources including rehabilitation has been a large area of focus over the last few years within the MAAP program. Dr. Stephen Murphy and Dr. Paul Richardson's (Post-Doctoral Fellowship) Afforested Environment Study was completed and the Board has agreed to support a next phase of this study if shared funding can be achieved.

"Aggregates to Agriculture" the MAAP study that looked at aggregate sites that were rehabilitated into agriculture was also completed and the final report has now been published. Caroline Dykstra, the staff member who undertook the study for MAAP has a summary article included elsewhere in this annual report.

I am very pleased to report that in 2015 the TOARC Board of Directors has approved the resources to support many new initiatives related to education and training with respect to aggregate resources!

Through the support of TOARC, the University of Waterloo, School of Planning, developed and presented for the first time an ***"Aggregate Resources Planning, Development and Management"*** course. This is the first time that a course specific to aggregate resources planning has been presented at a university level. As part of the support agreement, the University of Waterloo has agreed to allow industry employees to attend this course without being a full time School of Planning student.

For students at the high school level, the TOARC Board of Directors has agreed to support Forests Ontario and their development of an aggregates module to be used in the education of students who participate in the Ontario Envirothon program. This program has 10,000 participants across Ontario. Forests Ontario is hosting the 2016 North American Envirothon this summer in Peterborough Ontario where teams from across North America will participate!

For aggregate producers, TOARC's auditors have developed a training session in conjunction with MNRF field staff to help educate licence and permit holders on Production Reporting requirements under the ARA. I would like to thank TOARC staff Darren Nauth and Rudy Vandewiele for their efforts!

The development and gathering of information for TOARC's eSURRENDER database which will contain information about all former aggregate licences and permits in the province. eSurrender will be available to all including the general public through the TOARC website is well underway. Further details on eSurrender are in an article included elsewhere in this annual report.

These initiatives along with the annual "Student Design Competition" on aggregate site rehabilitation and the "OSSGA Rehabilitation Tour" are a sign of the commitment to educating Ontario residents about the importance of aggregates resources.

Trust funds increased slightly in the year ending 2015 to $20,249,017 from $20,221,896 at the yearend 2014. Trust revenue is down significantly ($624,178) versus 2014 and the previous 2 years as gains in both the "realized portion" of the portfolio and the "unrealized changes in fair value portion" reflect the performance of the 2015 financial markets. The Trust's expenses increased by $70,721, which was driven mainly by increased salaries and employee benefits expenses as a result of adding audit staff for the full year.

I want to take this opportunity to offer special thanks to Mr. John Riley of The Nature Conservancy of Canada who retired from the Board as the Environmental Organization Representative.

Respectfully submitted,

John Moroz
Chairman of the Board

AGGREGATE RESOURCES TRUST

2015 MAAP PROJECT SUMMARY

Project Number	Landowner / Location	Rehabilitation End Use	Area (ha)	Cost
15-01A	Rigelhof Pit, Hastings County	Natural Area	1.90	3,430
15-01B	Carr Pit, Hastings County	Natural Area	0.30	2,380
15-01C	Cunniam Pit, Hastings County	Natural Area	3.70	5,585
15-01D	Connelly Pit, Hastings County	Natural Area	2.50	2,697
15-02A	MacDonald Pit, Hastings County	Natural Area	0.17	3,617
15-02B	Campbell Pit, Hastings County	Natural Area	0.60	6,155
15-02C	K. Smith Pit, Hastings County	Agriculture Pasture	1.20	12,195
15-03	Belyea Pit, Hastings County	Natural Area	1.79	71,232
15-04A	Palmateer Pit, Hastings County	Agriculture Pasture	2.24	20,751
15-04B	Brouilette Pit, Hastings County	Agriculture Pasture	1.37	10,990
15-05A	D. Smith, Hastings County	Natural Area	0.56	14,682
15-05B	Mackey Pit, Hastings County	Agriculture Pasture	3.70	50,506
15-07	Edwards Pit, Algoma District	Natural Area	1.00	36,634
15-08A	Mansfield Pit, Wellington County	Natural Area	2.70	18,809
15-08B	Stewart Pit, Grey County	Agriculture Crop	1.10	12,685
15-08C	Weber Pit, Grey County	Agriculture Crop	1.67	16,350
15-09A	M. Martin Pit, Grey County	Agriculture Crop	2.20	14,864
15-09B	Mahlmann Pit, Grey County	Agriculture Crop	0.59	8,981
15-09C	Pillisch Pit, Grey County	Agriculture Pasture	0.93	7,370
15-10A	Dunstan Pit, Grey County	Agriculture Crop	1.77	21,220
15-10B	Drury Pit, Grey County	Agriculture Crop	1.34	14,993
15-10C	Kuhl Pit, Grey County	Agriculture Crop	3.90	33,607
15-10D	Becker Pit, Grey County	Agriculture Crop	1.50	6,625
			38.73	396,358

* Total project costs incurred for 2015 were $475,516. The difference between the $396,358 shown and the total was monies spent on various projects carried over from 2014 (mainly seeding and tree planting except Job 14-01 which was initially started in 2014 and completed in 2015)

AGGREGATE RESOURCES TRUST

2015 SUMMARY OF MAAP REHABILITATION COSTS

Year	Number of New Sites	Area Rehabilitated (ha)	Total Costs**	Cost/(ha)	Avg Cost per site	Avg Area Rehabilitated (ha)
1992-96*	52	77.99	$726,480	$9,315	$13,971	1.50
1997	15	22.40	$497,973	$22,231	$33,198	1.49
1998	10	18.35	$219,199	$11,945	$21,920	1.84
1999	16	30.45	$366,636	$12,041	$22,915	1.90
2000	17	28.50	$411,226	$14,429	$24,190	1.68
2001	21	25.50	$320,337	$12,562	$15,254	1.21
2002	10	14.25	$288,844	$20,270	$28,884	1.43
2003	19	46.39	$342,897	$7,392	$18,047	2.44
2004	15	27.35	$414,986	$15,173	$27,666	1.82
2005	28	75.45	$498,819	$6,611	$17,815	2.69
2006	28	48.50	$510,556	$10,527	$18,234	1.73
2007	23	39.11	$740,796	$18,941	$32,209	1.70
2008	29	45.10	$482,875	$10,707	$16,651	1.56
2009	19	22.29	$298,699	$13,401	$15,721	1.17
2010	19	21.35	$298,205	$13,967	$15,695	1.12
2011	38	34.40	$274,436	$7,978	$7,222	0.91
2012	30	38.10	$444,222	$11,659	$14,807	1.27
2013	28	44.13	$490,054	$11,105	$17,502	1.58
2014	13	21.79	$431,413	$19,799	$33,186	1.68
2015	23	38.73	$404,093	$10,434	$17,569	1.68
2016***			$1,802			
Total	453	720.13	$8,464,548	$11,752	$18,682	1.59

* 1992-1996 data is based on information provided by MNRF

** Total Costs have been restated (except for MNRF contracts) to conform with the Trust's revised financial statement presentation

*** 2016 Pre-rehabiliatation costs spent in 2015

AGGREGATES TO AGRICULTURE

PURPOSE:

A need for research into rehabilitation of aggregate extraction sites to agriculture was established by the Review of the Aggregate Resources Act (Ontario 2013) and the State of the Aggregate Resources in Ontario Study (MNRF 2009). Both of these documents outline that in Ontario, agricultural rehabilitation is encouraged when aggregate extraction takes place on specialty or prime crop land under the Provincial Policy Statement (OMMAH 2014). However no information is available to either the public or aggregate producers as to if this practice is occurring, and whether these rehabilitation projects are successful.

PROCESS:

In response to this need, and in keeping with its mandate to undertake research on rehabilitation, TOARC established the Aggregates-to-Agriculture Study in 2013. The study answered two questions:

1. to what extent has rehabilitation from aggregates to agriculture occurred in Ontario, and
2. to what degree is agricultural productivity, crop quality and soil development on rehabilitated farmland as good as that on similar land that has not been disturbed.

To answer the questions presented, a database of sites was created with the goal of gathering, organizing and evaluating broad information on rehabilitated extraction sites presently used for agriculture. Fourteen sites were then randomly selected, paired with undisturbed surrounding agricultural land and intensively sampled for a comparative analysis. Beyond determination of how extensive aggregate-to-agriculture rehabilitation has been in Ontario, a central goal of the analysis was to evaluate patterns of success with respect to potential best rehabilitation practices previously employed on study sites, including different tillage methods, fertilizer applications and cover-cropping strategies.

OUTCOME:

Study results indicated that 15% of post-extraction sites assessed in Southern Ontario were rehabilitated to agriculture after uses, amounting to more than 1000 ha of land returned to agriculture. Within these sites, 58% were field crop, 36% were pasture, 2% were orchard and 4% were other agricultural uses, such as vineyards. Farmers were asked to rate the rehabilitated land on a scale of one ("1" indicating highly inferior land) to ten ("10" indicating land of equivalent quality to adjacent farmland). Eight percent (8%) of the rehabilitated sites were rated as a 10, with an average rating of 6.2 amongst the assessed sites. Farmers who used value-added management practices (cover crops, soil amendments) were more likely to rate the rehabilitated land higher than farmers who did not.

To answer the second question presented by the project, fourteen sites rehabilitated between 1980 and 2011 were assessed using soil, crop, and environmental sampling to determine how similar rehabilitated extraction sites were to undisturbed farmland. Yield measurements showed that 3 of 5 legacy sites and 3 of 9 surrendered sites had significantly lower crop yields on the rehabilitated land compared to the undisturbed land. Legacy pits are often a 'worst case scenario' for rehabilitation, with limited soil resources on site. The 40% of legacy sites that did not have significant differences indicates that farm management strategies can help ameliorate soils over time. Sixty-seven percent (67%) of surrendered sites in this study had no differences between the rehabilitated and undisturbed areas, showing that on-site soil management and pre-planning are important steps for rehabilitation success.

From the report, a number of best management practices are recommended:

- Soil removal in horizons, retention in berms and replacement should be done with extreme care;
- Stone picking should be performed at all sites showing increased stoniness at the time of rehabilitation;
- At sites with limited soil resources, add organic matter to the soil by adding manure, cover crops for plow-down or other sources of organic matter;
- Make drainage issues a priority, since poor drainage is difficult and expensive to correct post-rehabilitation.

The study suggests that complete recovery of prime agricultural production after aggregate extraction is possible, however, there is room for improvement and further evidence is required to determine exact methods to increase this success rate. Aggregate producers, government regulators and the general public should therefore feel confident that aggregate resource development really can be an interim land use with minimal environmental impacts, even within Ontario's best farmlands.

REHABILITATING LEGACY PITS AND QUARRIES ONE AT A TIME

MAAP'S DATABASE OF LEGACY SITES AND PROJECT SELECTION

Each year the MAAP program rehabilitates between 20 and 40 legacy pits and quarries across the Province. Determining what legacy pits and quarries will be on the rehabilitation schedule for the year can be a daunting task. MAAP staff starts by assessing the database of sites that qualify for the program. The legacy sites are spread across all of Ontario in any area designated under the Aggregate Resources Act (ARA).

The MAAP team is always updating the database of qualifying sites as the pits and quarries are constantly changing. For example, some sites will no longer require rehabilitation because they were engulfed in urbanization, have become recreational spaces, been relicensed as an active site or Mother Nature has created a new ecosystem on the site. The MAAP team uses the snowless months of the year to complete inventories for updating the database of the legacy sites across Ontario. The sites are all ranked using MAAP's standard priority ranking system of high, medium or low. Once the team finds the sites that require the most assistance the team contacts the landowners and works with them to determine the best rehabilitation plan for their site as participation in the program is completely voluntary. MAAP is always looking for sites one year in advance to line up projects for the following years rehabilitation program.

During the winter months MAAP is prepping for the following field season with extensive site planning to ensure that no sites are missed in the quest for rehabilitation projects! The team is also using this time to work with the MNRF to determine if there are species at risk on site, whether the construction will require permitting from the Conservation Authorities, drafting the site plans and creating tender documents so that rehabilitation can start first thing in the spring.

To date the MAAP program has worked with landowners and successfully returned over 720 hectares of legacy pits and quarries to safer and more productive lands across Ontario, totalling 453 sites. The projects are all at no cost to the landowner and completely funded through the $0.005 portion of the licence fee paid by aggregate producers.

PROJECT #07-04

O. MARTIN PIT, BRUCE COUNTY, KINLESS TOWNSHIP

This 4 ha (9.9 acres) legacy pit was being used as pastureland but the tall (6.5 metres), steep, eroding slopes made much of the field unusable for that purpose.

The site had two distinct pit faces on it, but the main challenge for rehabilitation of this site was the lack of topsoil. The pit floor had a prominent gravel base and other areas of the pit had exposed aggregate and large boulders. The small area of topsoil found during test pitting was judiciously stripped and then applied to the finished grade. During construction, more topsoil was discovered and set aside by the operator to add for top-dress.

Nearly 13,000 m^3 of material was moved by Mass Excavating, Stratford ON, who was able to create gentle 10:1 slopes in place of the shear pit faces. A staging area for the cattle was created at one end of the pit as there was not enough topsoil to dress the entire site at the time of remediation, however the landowner is stockpiling manure to apply to this area in the near future.

The landowner had sown wheat with an under seeding of Pickseed mixed pasture seed at a rate of 50kg/ha. The landowner started taking hay off the rehabilitated site the very next season.

BEFORE

DURING

AFTER

REHABILITATING LEGACY PITS AND QUARRIES ONE AT A TIME

TIMMINGS PIT, WELLINGTON COUNTY, EROMOSA TOWNSHIP

This 4.2 ha (10.4 acres) legacy site was surrounded by prime agricultural lands. In 2013 the MAAP program tendered the work to TDI International Inc., Guelph, ON, to return the site back to agriculture and to expand a neighbouring woodlot that bordered the property.

The MAAP program only uses onsite materials for rehabilitation of legacy sites. As a result, areas peripheral to the pit needed to be stripped to generate the fill to create a gentle 10:1 slope and provide enough topsoil to cover the project area. After completing test pits as part of the inventory and analysis of the site, substantial topsoil was discovered, enough to allow a topsoil budget of 16 cm to spread over the legacy site. This rate is within the MNRF suggested guidelines of 10-20 cm of topsoil for agricultural rehabilitation. However, low lying areas did not meet MNRF guidelines for 1 m of subsoil over the saturation zone, resulting in some wet areas. Rather than strip a larger area of native land to generate fill, the farmer elected to install tile drains.

At the time of rehabilitation the landowner had seeded the site with winter wheat at a rate of 50kg/ha and utilized it as green manure by plowing it in the following spring. When MAAP visited in 2015 the site had been planted with corn and the farmer reported great productivity of the land which had been previously a relatively barren, unused part of the farm.

BEFORE

DURING

AFTER

SITE WAS PREPPED FOR EXPLORATION IN JUNE OF 2014

CENTRAL LAKE ONTARIO CONSERVATION AREA (CLOCA) PIT, DURHAM COUNTY, TOWNSHIP OF WHITBY

The legacy pit located on the Heber Down property in Durham County was primarily extracted from prior to 1971. In the fall of 2012 MAAP began discussions with CLOCA to develop a habitat restoration plan for the site, particularly what was to be done with the concrete and rubble that had been deposited there. Over the next year MAAP and CLOCA developed a plan to repair an eroded bank and reuse the concrete debris to create a safe access road to the Devil's Den Pond as part of their larger master plan in creating an urban natural area for the City of Whitby.

Construction started in the spring of 2014 for primary exploration of the debris pile to determine the quantity of concrete that could be recycled in the access road. Also at this time, CLOCA harvested the trees that were growing where the access road was to be located to ensure that nesting birds were not affected.

As the site was opened up it became clear that this was a very complex site with steep faces. As a result, MAAP commissioned High-EYE Aerial Imaging Inc. to provide a detailed survey of the site via drone so that MAAP could develop the habitat restoration plan to tender in the spring of 2015. By the fall of 2015 the seed planted by CLOCA had germinated and the access road was opened for the community to utilize.

The MAAP program was thankful for the cooperation of the staff at CLOCA that made this a successful rehabilitation project for our program and were happy to be able to contribute to CLOCA's implementation of the Heber Down Conservation Area management plan.

REINFORCING SIDE SLOPES WITH HARVESTED WOODY DEBRIS. NO MATERIAL GOES WASTED!

CLOCA AND THE MAYOR OF WHITBY RECOGNIZE MAAP FOR THE OUTSTANDING REHABILITATION

OCTOBER 2015 THE GRASSES HAVE GERMINATED AND THE ROAD IS OPEN TO THE PUBLIC

eSURRENDER

The rehabilitation of pits and quarries is an important step in the sustainable management of aggregate resources in the Province. Proper rehabilitation helps to transition from a land-use of aggregate extraction to other productive land-use activities, which reduces land-use conflict and addresses social, economic, and environmental concerns. While exceptional rehabilitation practices exist and are often applied, due to a lack of transparency, exceptionally rehabilitated pits and quarries often go unnoticed and uncelebrated by the public. This was emphasized in the report on the 2013 *Review of the Aggregate Resources Act* by the Standing Committee on General Government. The committee suggested that,

> *"Improved communications could explain the importance of this industry, build public awareness of modern operational practices and achievements in restoration and rehabilitation, and enhance relationships between communities and individual aggregate operators..... it would be worthwhile to indicate whether portions of these individual sites have been restored to natural, agricultural, or other uses or are available for public access and use."*

To bridge these communications and knowledge gaps, TOARC, as part of its "Trust Purposes", which include education, training, publishing and dissemination of information on aggregate management, has developed eSURRENDER, an electronic database of former aggregate licences and permits in the Province.

eSURRENDER currently contains information on the operation type, licence/permit class, area, extracted area, location, and effective and surrendered dates of all former aggregate licences and permits in the Province. Where possible, site plans are included, providing essential information on the pre-existing conditions and intended rehabilitation for each site. In addition, through staff visits, information is being collected on the end-use of each site. A photographic record will be included as well as a remark as to how well the site blends in with the surrounding land-uses.

eSURRENDER will eventually be available to the general public, with potential to be used as an educational tool and to support various research initiatives. Ultimately, it will provide a more complete, open, and transparent understanding of the state of former pits and quarries in the province.

AGGREGATE RESOURCES TRUST

FINANCIAL STATEMENTS

For the year ended
December 31, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF AGGREGATE RESOURCES TRUST:

To the Trustee of Aggregate Resources Trust:

We have audited the accompanying financial statements of Aggregate Resources Trust (the "Trust"), which comprise the statement of financial position as at December 31, 2015, and the statements of revenue and expenses and changes in fund balances, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BDO CANADA LLP

Chartered Professional Accountants, Licensed Public Accountants

Burlington, Ontario
February 24, 2016

AGGREGATE RESOURCES TRUST

STATEMENT OF FINANCIAL POSITION

	December 31 2015 $	December 31 2014 $
ASSETS		
CURRENT		
Cash	1,342,840	820,019
Short-term investments [note 2]	564,653	541,553
Due from Licensees and Permittees	234,607	150,951
Due from the Ontario Stone, Sand & Gravel Association [note 5]	43	—
HST recoverable	40,105	43,921
Interest and dividends declared receivable	26,485	25,885
Prepaid expenses	19,991	29,535
Total current assets	2,228,724	1,611,864
Investments [note 3]	18,745,320	19,062,473
Capital assets, net [note 4]	137,884	152,352
	21,111,928	20,826,689
LIABILITIES AND TRUST FUNDS		
CURRENT		
Accounts payable and accrued liabilities	198,955	199,260
Due to the Ontario Stone, Sand & Gravel Association [note 5]	—	2,938
Wayside permit deposits	29,250	53,246
Deferred Aggregate Resources Charges	82,481	59,662
Due to Governments	534,543	267,290
Current Portion - Conditional Sales Contract - Auto Loan [note 6]	4,715	4,715
Total Current Liabilities	849,944	587,111
Conditional Sales Contract - Auto Loan [note 6]	12,967	17,682
Total liabilities	862,911	604,793
TRUST FUNDS		
Rehabilitation Fund [see schedules]	18,105,583	17,860,654
Abandoned Pits and Quarries Rehabilitation Fund [see schedules]	2,143,434	2,361,242
Total Trust Funds	20,249,017	20,221,896
	21,111,928	20,826,689

The accompanying notes and schedules are an integral part of these financial statements.

On behalf of the Trust by The Ontario Aggregate Resources Corporation as Trustee:

Director

Director

AGGREGATE RESOURCES TRUST

STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31	2015 $	2014 $
REVENUE		
Investment income [note 3]	1,423,173	1,254,640
Unrealized changes in fair value	(28,016)	753,350
Publications	404	979
Gain on disposal of capital assets	–	10,770
	1,395,561	2,019,739
EXPENSES		
Trust's expenses [note 9]	1,191,228	1,137,480
Amortization	60,089	46,569
Investment management fees	139,835	136,382
	1,391,152	1,320,431
Excess of revenue over expenses before the following	4,409	699,308
Aggregate Resources Charges	18,969,026	17,809,755
Allocated to the Governments	(18,226,731)	(17,121,832)
Allocated to the Crown	(742,295)	(687,923)
Expenditures incurred in meeting the Trust purposes [see schedules]	(719,583)	(681,942)
Excess (deficiency) of revenue over expenses for the year	(715,174)	17,366
Trust Funds, beginning of year	20,221,896	19,516,607
Funds reinvested by the Crown	742,295	687,923
Trust Funds, End of Year	20,249,017	20,221,896

The accompanying notes and schedules are an integral part of these financial statements

AGGREGATE RESOURCES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	(715,174)	17,366
Add (less) items not involving cash		
Amortization	60,089	46,569
Unrealized changes in fair values	28,016	(753,350)
Gain on disposal of capital assets	–	(10,770)
	(627,069)	(700,185)
Net change in non-cash working capital balances related to operations		
Due from Licensees and Permittees	(83,656)	29,639
HST recoverable	3,816	8,196
Due from Ontario Stone, Sand & Gravel Association	(43)	–
Interest and dividends declared receivable	(600)	3,615
Prepaid expenses	9,544	(940)
Accounts payable and accrued liabilities	(305)	(48,064)
Due to Ontario Stone, Sand & Gravel Association	(2,938)	1,399
Wayside permit deposits	(23,996)	40,141
Deferred Aggregate Resources Charges	22,819	20,399
Deferred lease costs	–	(6,356)
Due to Governments	267,253	(49,849)
Cash used in operating activities	(435,175)	(702,005)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(45,620)	(112,581)
Proceeds on disposal of capital assets	–	10,770
Purchase of short-term investments	(20,622,330)	(20,816,485)
Sale of short-term investments	20,599,229	20,589,924
Purchase of investments	(1,815,537)	(1,376,474)
Sale of investments	2,104,674	1,351,386
Cash provided by (used in) investing activities	220,416	(353,460)
CASH FLOWS FROM FINANCING ACTIVITY		
Funds reinvested by the Crown	742,295	687,923
Conditional Sales Contract - Auto Loan	(4,715)	22,397
Cash provided by financing activities	737,580	710,320
Net increase (decrease) in cash during the year	522,821	(345,145)
Cash, beginning of year	820,019	1,165,164
Cash, end of year	1,342,840	820,019

SUPPLEMENTAL CASH FLOW INFORMATION For the year ended December 31	2015 $	2014 $
Cash received from interest	334,463	370,738

The accompanying notes and schedules are an integral part of these financial statements

AGGREGATE RESOURCES TRUST

FOR THE YEAR ENDED DECEMBER 31, 2015	Aggregate Resources Fund $	Rehabilitation Fund $	Abandoned Pits and Quarries Rehabilitation Fund $	Total $
REVENUE				
Investment income [note 3]	–	1,270,115	153,058	1,423,173
Unrealized changes in fair value	–	(24,892)	(3,124)	(28,016)
Publications	–	50	354	404
	–	1,245,273	150,288	1,395,561
EXPENSES				
Trust's expenses [note 9]	–	647,391	543,837	1,191,228
Amortization	–	26,532	33,557	60,089
Investment management fees	–	122,032	17,803	139,835
	–	795,955	595,197	1,391,152
Excess (deficiency) of revenue over expenses before the following	–	449,318	(444,909)	4,409
Aggregate Resources Charges	18,969,026	–	–	18,969,026
Allocated to the Governments	(18,226,731)	–	–	(18,226,731)
Allocated to the Crown	(742,295)	–	–	(742,295)
Expenditures incurred in meeting the Trust purposes [see schedules]	–	(204,389)	(515,194)	(719,583)
Excess (deficiency) of revenue over expenses for the year	–	244,929	(960,103)	(715,174)
Trust Funds, beginning of year	–	17,860,654	2,361,242	20,221,896
Funds reinvested by the Crown	742,295	–	–	742,295
Interfund transfer	(742,295)	–	742,295	–
Trust Funds, end of year	–	18,105,583	2,143,434	20,249,017

The accompanying notes and schedules are an integral part of these financial statements.

SCHEDULES OF STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES FOR THE AGGREGATE RESOURCES FUND, REHABILITATION FUND AND ABANDONED PITS AND QUARRIES REHABILITATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2014	Aggregate Resources Fund $	Rehabilitation Fund $	Abandoned Pits and Quarries Rehabilitation Fund $	Total $
REVENUE				
Investment income [note 3]	—	1,089,984	164,656	1,254,640
Unrealized changes in fair value	—	641,064	112,286	753,350
Publications	—	94	885	979
Gain on disposal of capital assets	—	20	10,750	10,770
	—	1,731,162	288,577	2,019,739
EXPENSES				
Trust's expenses [note 9]	—	597,196	540,284	1,137,480
Amortization	—	17,918	28,651	46,569
Investment management fees	—	116,229	20,153	136,382
	—	731,343	589,088	1,320,431
Excess (deficiency) of revenue over expenses before the following	—	999,819	(300,511)	699,308
Aggregate Resources Charges	17,809,755	—	—	17,809,755
Allocated to the Governments	(17,121,832)	—	—	(17,121,832)
Allocated to the Crown	(687,923)	—	—	(687,923)
Expenditures incurred in meeting the Trust purposes [see schedules]	—	(169,802)	(512,140)	(681,942)
Excess (deficiency) of revenue over expenses for the year	—	830,017	(812,651)	17,366
Trust Funds, beginning of year	—	17,030,637	2,485,970	19,516,607
Funds reinvested by the Crown	687,923	—	—	687,923
Interfund transfer	(687,923)	—	687,923	—
Trust Funds, end of year	—	17,860,654	2,361,242	20,221,896

The accompanying notes and schedules are an integral part of these financial statements.

AFTER

AGGREGATE RESOURCES TRUST

SCHEDULES OF REHABILITATION COSTS FOR THE REHABILITATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2015

Project Number	Project Name	Paid or Payable / (Recovered) $
13-002	Neuman Pit, Hastings County	(240)
14-003	1080678 Ontario Inc. Pit, Simcoe County	4,127
14-004	Parent Pit, Renfrew County	650
15-001	Canamerican Granite Corp. Pit, District of Sudbury	1,678
15-002	ONeil, Gerald Lumber Limited. Pit, Hastings County	3,790
15-003	Estate of the late Eric L. Davies. Pit, Middlesex County	18,061
RECOVERIES		
12-001B	Stone Pit, Renfrew County	(9,770)
13-002	Neuman Pit, Hastings County	(13,274)
	Education	
	TOARC study of surrendered sites in Ontario – (e-Surrender)	109,938
	Student Rehabilitation Design Competition	11,302
	Rehabilitation Tour Owen Sound & surrounding area	1,600
	University of Waterloo - Aggregate Resources Planning Credit Course	17,500
	Tendering, consulting and other	59,027
		204,389

The accompanying notes are an integral part of these financial statements

FOR THE YEAR ENDED DECEMBER 31, 2014

Project Number	Project Name	Paid or Payable / (Recovered) $
12-001B	Stone Pit, Renfrew County	**240**
13-002	Neuman Pit, Hastings County	**240**
14-001	Nutall Pit, District of Sudbury	**76,355**
14-002	Ed's Landscaping Pit, District of Kenora	**4,000**
14-003	1080678 Ontario Inc. Pit, Simcoe County	**25,025**
14-004	Parent Pit, Renfrew County	**6,100**
RECOVERIES		
12-001B	Stone Pit, Renfrew County	**(1,400)**
	Education	
	Student Rehabilitation Design Competition	**10,139**
	Rehabilitation Tour Sudbury & surrounding area	**1,500**
	Tendering, consulting and other	**47,603**
		169,802

The accompanying notes are an integral part of these financial statements

AGGREGATE RESOURCES TRUST

SCHEDULE OF REHABILITATION COSTS FOR THE ABANDONED PITS AND QUARRIES REHABILITATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2015

Project Number	Project Name	Paid or Payable / (Recovered) $
14-01	CLOCA Sisson Pit, Durham County	72,959
14-03	Emke Pit, Bruce County	1,019
14-04	Kuephfor Pit, Bruce County	1,019
14-05B	Benson Pit, Bruce County	(291)
14-06A	Martin Pit, Bruce County	1,019
14-06B	Scott Pit, Bruce County	1,019
14-07	White Pit, Bruce County	616
15-01A	Rigelhof Pit, Hastings County	3,430
15-01B	Carr Pit, Hastings County	2,380
15-01C	Cunniam Pit, Hastings County	5,585
15-01D	Connelly Pit, Hastings County	2,697
15-02A	MacDonald Pit, Hastings County	3,617
15-02B	Campbell Pit, Hastings County	6,155
15-02C	K. Smith Pit, Hastings County	12,195
15-03	Belyea Pit, Hastings County	71,232
15-04A	Palmateer Pit, Hastings County	20,751
15-04B	Brouilette Pit, Hastings County	10,990
15-05A	D. Smith Pit, Hastings County	14,681
15-05B	Mackey Pit, Hastings County	50,506
15-07	Edwards Pit, Algoma District	36,634
15-08A	Mansfield Pit, Wellington County	18,809
15-08B	Stewart Pit, Grey County	12,685
15-08C	Weber Pit, Grey County	16,350
15-09A	M. Martin Pit, Grey County	14,864
15-09B	Mahlmann Pit, Grey County	8,981
15-09C	Pillisch Pit, Grey County	7,369
15-10A	Dunstan Pit, Grey County	21,220
15-10B	Drury Pit, Grey County	14,993
15-10C	Kuhl Pit, Grey County	33,607
15-10D	Becker Pit, Grey County	6,625
15-11	C. Martin Pit, Wellington County	137
16-00	2016 Various jobs to be allocated in 2016	1,665
	Research costs	
	Dr. Richardson – Determining the time span and ecological conditions necessary for afforested environments to support older-growth understorey communities	14,991
	TOARC Internal Research on Agricultural Rehabilitation	20,901
	Tendering, consulting and other	3,784
		515,194

The accompanying notes are an integral part of these financial statements

AGGREGATE RESOURCES TRUST

SCHEDULE OF REHABILITATION COSTS FOR THE ABANDONED PITS AND QUARRIES REHABILITATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

Project Number	Project Name	Paid or Payable / (Recovered) $
13-03B	GRCA Redstone Pit, Wellington County	6,460
13-05A	G. Martin Pit, Wellington County	7,000
13-06A	Hessels Pit, Wellington County	—
13-08	Guy Pit, Durham County	2,400
13-09A	Senn Pit, Durham County	1,200
13-09B	Swindells Pit, Durham County	1,200
13-10A	Warriner Pit, Durham County	2,659
13-10B	Piney Pit, Durham County	5,884
13-10C	Coxworth Pit, Durham County	636
13-11A	Kemp Pit, Durham County	1,180
13-11C	Woodley Pit, Durham County	1,000
13-12	Halminem Pit, Durham County	2,900
14-01	CLOCA Sisson Pit, Durham County	51,117
14-02A	Rourke Pit, BruceCounty	20,006
14-02B	Franklin Pit, Bruce County	8,395
14-02C	Wiley Pit, Bruce County	11,468
14-02D	Christie Pit, Bruce County	7,408
14-03	Emke Pit, Bruce County	79,480
14-04	Kuephfor Pit, Bruce County	39,241
14-05B	Benson Pit, Bruce County	29,258
14-05C	Schurr Pit, Bruce County	24,927
14-05D	Veenhof Pit, Bruce County	8,576
14-06A	Martin Pit, Bruce County	15,465
14-06B	Scott Pit, Bruce County	49,932
14-07	White Pit, Bruce County	8,780
15-10C	Kuhl Pit, Grey County	1,788
15-03	Belyea Pit, Hastings County	1,488
15-04B	Brouilette Pit, Hastings County	1,488
15-05B	Mackey Pit, Hastings County	1,488
15-04A	Palmateer Pit, Hastings County	1,488
	Research costs	
	Dr. Richardson – Determining the time span and ecological conditions necessary for afforested environments to support older-growth understorey communities	44,912
	TOARC Internal Research on Agricultural Rehabilitation	70,009
	Tendering, consulting and other	2,907
		512,140

The accompanying notes are an integral part of these financial statements

AGGREGATE RESOURCES TRUST

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Formation and Nature of Trust

Aggregate Resources Trust [the "Trust"] was settled by Her Majesty the Queen in Right of the Province of Ontario [the "Crown"] as represented by the Minister of Natural Resources [the "Minister"] for the Province of Ontario pursuant to Section 6.1(1) of the Aggregate Resources Act, R.S.O. 1990, Chap. A.8 as amended [the "Act"]. The Minister entered into a Trust Indenture dated June 27, 1997 [the "Trust Indenture"] with The Ontario Aggregate Resources Corporation ["TOARC"] appointing TOARC as Trustee of the Trust.

The Trust's goals are: [a] the rehabilitation of land for which a Licence or Permit has been revoked and for which final rehabilitation has not been completed; [b] the rehabilitation of abandoned pits and quarries, including surveys and studies respecting their location and condition; [c] research on aggregate resource management, including rehabilitation; [d] making payments to the Crown and to regional municipalities, counties and local municipalities in accordance with regulations made pursuant to the Act; [e] the management of the Abandoned Pits and Quarries Rehabilitation Fund; and [f] such other purposes as may be provided for by or pursuant to Section 6.1(2)5 of the Act.

In 1999 the Trust's purposes were expanded by amendment to the Trust Indenture to include:

> [a] "the education and training of persons engaged in or interested in the management of the aggregate resources of Ontario, the operation of pits or quarries, or the rehabilitation of land from which aggregate has been excavated; and
>
> [b] the gathering, publishing and dissemination of information relating to the management of the aggregate resources of Ontario, the control and regulation of aggregate operations and the rehabilitation of land from which aggregate has been excavated."

In accordance with the Trust Indenture, TOARC administers the Trust which consists of three funds: the Aggregate Resources Fund, the Rehabilitation Fund and the Abandoned Pits and Quarries Rehabilitation Fund. TOARC is a mere custodian of the assets of the Trust and all expenditures made by TOARC are expenditures of the Trust.

Prior to the creation of the Trust, the Trust's goals were pursued by the Minister and, separately, the Ontario Stone, Sand & Gravel Association [the "OSSGA"] formerly The Aggregate Producers' Association of Ontario [the "APAO"]. Upon the creation of the Trust, rehabilitation security deposits held by the Crown, as represented by the Minister, were to be transferred to the Trust. In addition, the Crown directed the OSSGA to transfer, on behalf of the Crown, the Abandoned Pits and Quarries Rehabilitation Fund to the Trust. By December 31, 1999, the Minister and the OSSGA had transferred $59,793,446 and $933,485, respectively, to the Trust.

AGGREGATE RESOURCES TRUST

NOTES TO FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2015

Pursuant to the Trust Indenture, TOARC "shall pay and discharge expenses properly incurred by it in carrying out and fulfilling the Trust purposes and the administration of the Trust . . ." [Section 7.02]. The Aggregate Resources Fund is for the collection of the annual licence and permit fees, royalties, and wayside permit fees [aggregate resources charges] collected on behalf of the Minister. Effective for the 2007 production year the annual licence fee increased from $0.06 per tonne to $0.115 per tonne. The licence fees are due by March 15 of the following year, and are disbursed within six months of receipt. The fees are disbursed as follows: [a] $0.06 to the lower tier municipality, [b] $0.015 to the upper tier municipality, [c] $0.035 to the Crown, collectively [the "Governments"] and [d] $0.005 to the Trust. Minimum annual fees were increased effective for the 2007 production year:

- a Class A licence from $200 to $400 or $0.115 per tonne whichever is greater;
- a Class B licence from $100 to $200 or $0.115 per tonne whichever is greater;
- the minimum wayside fee from $100 to $400 or $0.115 per tonne whichever is greater;
- the annual aggregate permit fee from $100 to $200; and
- the minimum royalty rate for aggregate extracted on Crown land from $0.25 to $0.50 per tonne.

For production prior to 2007 all aggregate resources charges remain at the old fee schedule with the $0.06 licence fee being disbursed as follows: [a] $0.04 to the lower tier municipality, [b] $0.005 to the upper tier municipality, [c] $0.01 to the Crown, collectively [the "Governments"] and [d] $0.005 to the Trust.

The funds reinvested by the Crown to the Trust from the Aggregate Resources Fund will be transferred within the Trust and used for the Rehabilitation Fund and the Abandoned Pits and Quarries Rehabilitation Fund. In addition, the Trust collects the royalty payments and annual fees related to aggregate permits and also disburses the funds to the Crown within six months of receipt.

The Rehabilitation Fund represents the rehabilitation security deposits, contributed by Licensees and Permittees, held by the Crown and, in accordance with the Trust Indenture, transferred to the Trust. TOARC has been directed by the Minister to refund approximately 3,000 individual licensee and permittee accounts based on the formula of retaining $500 per hectare disbursed on licenses and 20% of the deposit amount for aggregate permits. As a result, the Trust has refunded approximately $48.6 million as per the Crown's directions. The balance of funds will be used to ensure the rehabilitation of land where licenses and/or permits have been revoked and final rehabilitation has not been completed.

The Abandoned Pits and Quarries Rehabilitation Fund is for the rehabilitation of abandoned sites and related research. Abandoned sites are pits and quarries for which a licence or permit was never in force at any time after December 31, 1989.

The Trust's expenses [or Trustee's expenses] are the amounts paid pursuant to Article 7.02 of the Trust Indenture.

FOR THE YEAR ENDED DECEMBER 31, 2015

Pursuant to Section 4.01 of the Trust Indenture, the Trust's assets and the income and gains derived therefrom are property belonging to the Province of Ontario within the meaning of Section 125 of the Constitution Act, 1867 and, by reason of Section 7.01 of the Trust Indenture, the amounts paid by the Trustee pursuant to Article 7 are paid to or for the benefit of the Crown.

Basis of Accounting

The financial statements of the Trust have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from management's best estimates as additional information becomes available in the future. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the accounting policies of the Trust.

Aggregate Resources Charges

Aggregate resources charges collected on behalf of the Minister are recorded upon receipt of a tonnage report from Licensees and Permittees. Aggregate resources charges are based on the tonnage produced in the preceding period by the Licensees and Permittees as reported by the Licensees and Permittees. If there is no production in the preceding period, an annual fee is recognized for Permittees.

Deferred Aggregate Resources Charges represents prepayments and overpayments of fees charged to Licensees and Permittees.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded to write off the cost of capital assets over their estimated useful lives on a straight-line basis as follows:

Computer equipment and software	3 to 5 years
Furniture and fixtures	5 years
Vehicles	3 years

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities and pooled funds traded in an active market are reported at fair value, with realized gains and losses and unrealized changes in fair values of investments recorded in the Statement of Revenue and Expenses and Changes in Fund Balances under investment income and unrealized changes in fair value respectively. In addition, all promissory notes, treasury bills and bonds have been designated to be in the fair value category, with realized gains and losses and unrealized changes

FOR THE YEAR ENDED DECEMBER 31, 2015

in fair values of investments recorded in the Statement of Revenue and Expenses and Changes in Fund Balances under investment income and unrealized changes in fair value respectively. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are included in the Statement of Revenue and Expenses and Changes in Fund Balances under investment income for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Revenue Recognition

Investment income is recognized in the period in which it is earned.

Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as follows:
Foreign currency assets and liabilities are translated into Canadian dollars by the use of the exchange rate prevailing at the year-end date for monetary items and at exchange rates prevailing at the transaction date for non-monetary items. The resulting foreign exchange gains and losses are included in investment income in the current period.

FOR THE YEAR ENDED DECEMBER 31, 2015

2. SHORT-TERM INVESTMENTS

Short-term investments consist of:

	2015 $	2014 $
GTAA Note, bearing interest at 4.70% per annum, matures February 15, 2016	50,198	–
Hydro One Inc. Note, bearing interest at 4.64% per annum, matures March 3, 2016	50,295	–
Canadian T-Bill, bearing interest at 0.500% per annum, matures March 10, 2016	109,896	–
Municipal Finance Authority of BC, bearing interest at 4.65% per annum, matures April 19, 2016	75,850	–
Manitoba Telecom Services Note, bearing interest at 6.65% per annum, matures May 11, 2016	71,241	–
Province of Ontario Floating rate Note, bears interest at 1.474% per annum, matures June 27, 2016	50,099	–
Province of New Brunswick Note, bears interest at 4.70% per annum, matures July 21, 2016	51,111	–
Province of Manitoba Floating rate Note, bears interest at 1.43% per annum, matures September 15, 2016	35,055	–
Province of Manitoba Debenture, bears interest at 2.05% per annum, matures December 1, 2016	70,908	–
Canadian Wheatboard Note, bearing interest at 1.0% per annum matures January 20, 2015	–	**99,913**
Province of Quebec Note, bearing interest at 1.0% per annum matures January 20, 2015	–	**74,881**
Province of Ontario Treasury bill, bearing interest at 1.0% per annum matures January 21, 2015	–	**104,749**
Province of Ontario Treasury bill, bearing interest at 1.0% per annum matures February 18, 2015	–	**59,853**
Province of Quebec Treasury bill, bearing interest at 1.0% per annum matures February 27, 2015	–	**49,910**
Husky Energy Bond, bears interest at 3.75% per annum, matures March 12, 2015	–	**20,088**
Wells Fargo Bond, bears interest at 4.38% per annum, matures June 30, 2015	–	**50,711**
Thompson Reuters Bond, bears interest at 5.70% per annum, matures July 15, 2015	–	**66,379**
Enbridge Pipelines Bond, bears interest at 2.268% per annum, matures August 19, 2015	–	**15,069**
	564,653	**541,553**

FOR THE YEAR ENDED DECEMBER 31, 2015

3. INVESTMENTS

Investments consist of the following:

	2015		2014	
	Fair Value $	Cost $	**Fair Value $**	**Cost $**
Bonds				
Government of Canada and Agencies	2,341,206	2,261,754	**2,690,280**	**2,596,696**
Crown Corporations	468,361	471,089	**248,000**	**247,836**
Corporate	104,884	100,332	**222,235**	**215,099**
Canadian Equities	1,840,108	1,394,088	**1,844,046**	**1,169,911**
Foreign Equities	4,089,742	3,318,573	**4,277,719**	**3,587,385**
Pooled Funds	9,901,019	7,473,548	**9,780,193**	**7,496,876**
	18,745,320	15,019,384	**19,062,473**	**15,313,803**

The Government of Canada and Agencies bonds bear interest at rates ranging from 0.919% to 10.95% per annum [2014 – 1.371% to 10.95%] with maturity dates ranging from September 5, 2017 to July 7, 2025.

The Crown Corporations bonds bear interest at rates ranging from 0.960% to 2.350% per annum [2014 – 1.383% to 4.640%] with maturity dates ranging from December 15, 2018 to March 15, 2020.

The Corporate bonds bear interest at rates ranging from 2.654% to 5.600% per annum [2014 – 2.654% to 6.650%] with maturity dates ranging from November 1, 2017 to July 31, 2025.

Investment income is broken down as follows:

	2015 $	**2014 $**
Interest income	332,873	**379,932**
Dividends	391,119	**386,098**
Realized capital gains [net]	679,291	**482,304**
Foreign exchange gains (losses) [net]	19,815	**6,201**
Other income	75	**105**
	1,423,173	**1,254,640**

Investment income of the Rehabilitation Fund includes interest earned on Aggregate Resources Charges collected on behalf of the Minister of $113,716 [2014 - $142,082].

4. CAPITAL ASSETS

Capital assets consist of the following:

	2015			2014		
	Cost $	Accumulated Amortization $	Net Book Value $	Cost $	Accumulated Amortization $	Net Book Value $
Computer equipment and software	319,507	218,860	100,647	**273,887**	**181,417**	**92,470**
Furniture and fixtures	105,169	101,073	4,096	**105,169**	**96,818**	**8,351**
Vehicles	55,170	22,029	33,141	**55,170**	**3,639**	**51,531**
	479,846	341,962	137,884	**434,226**	**281,874**	**152,352**

5. DUE FROM/TO THE ONTARIO STONE, SAND & GRAVEL ASSOCIATION

Amounts due from/to the Association are unsecured, non-interest bearing and are due on demand. These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties).

6. CONDITIONAL SALES CONTRACT - AUTO LOAN

	$
Conditional Sales Contract - Auto Loan	17,682
Less current portion	(4,715)
	12,967

The Conditional Sales Contract bears no interest and has a term of sixty months maturing September 30, 2019 with monthly payments of $393.

7. COMMITMENTS

The Trust has entered into a number of Research Funding Agreements. The future annual payments, in total and over the next four years, are as follows:

	$
2016	326,486
2017	256,240
2018	245,340
2019	247,040
	1,075,106

FOR THE YEAR ENDED DECEMBER 31, 2015

8. LEASE COMMITMENTS

The future minimum annual lease payments (excluding HST) are as follows:

	$
2016	50,115

9. TRUST'S EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2015

	Rehabilitation Fund $	Abandoned Pits and Quarries Rehabilitation Fund $	Total $
EXPENSES			
Salaries and employee benefits	443,877	408,414	852,291
Board expenses	2,805	2,806	5,611
Professional fees	56,302	10,486	66,788
Data processing	14,193	21,684	35,877
Travel	51,268	46,150	97,418
Communication	23,842	22,616	46,458
Office	15,960	3,858	19,818
Office lease, taxes and maintenance	35,712	25,939	61,651
Insurance	3,432	1,884	5,316
Trust's Expenses	647,391	543,837	1,191,228

FOR THE YEAR ENDED DECEMBER 31, 2014

	Rehabilitation Fund $	Abandoned Pits and Quarries Rehabilitation Fund $	Total $
EXPENSES			
Salaries and employee benefits	385,241	403,741	788,982
Board expenses	3,743	3,743	7,486
Professional fees	86,086	6,854	92,940
Data processing	12,025	18,944	30,969
Travel	28,040	49,651	77,691
Communication	22,980	23,231	46,211
Office	16,359	7,974	24,333
Office lease, taxes and maintenance	39,596	24,585	64,181
Insurance	3,126	1,561	4,687
Trust's Expenses	597,196	540,284	1,137,480

FOR THE YEAR ENDED DECEMBER 31, 2015

10. FINANCIAL INSTRUMENT RISKS

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Trust is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The Trust is subject to credit risk through its due from Licensees and Permittees, due from the Ontario Stone, Sand & Gravel Association and interest and dividends declared receivable. This risk has not changed from the prior year.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments. This risk has not changed from the prior year.

Liquidity Risk

Liquidity risk is the risk that the Trust encounters difficulty in meeting its obligations associated with its financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Trust will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from the Trust's accounts payable and accrued liabilities, due to the Ontario Stone, Sand & Gravel Association and due to Governments. This risk has not changed from the prior year.

Market Risk

The Trust is subject to market risk with respect to its investments. The values of these investments will fluctuate as a result of changes in market prices or other factors affecting the value of the investments. This risk has not changed from the prior year.

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of The Ontario Aggregate Resources Corporation:

We have audited the accompanying financial statements of The Ontario Aggregate Resources Corporation (the "Corporation"), which comprise the balance sheet as at December 31, 2015 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Ontario Aggregate Resources Corporation as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

BDO CANADA LLP

Chartered Professional Accountants, Licensed Public Accountants

Burlington, Ontario
February 24, 2016

THE ONTARIO AGGREGATE RESOURCES CORPORATION

BALANCE SHEET

DECEMBER 31	2015 $	2014 $
ASSET		
Cash	1	1
SHAREHOLDER'S EQUITY		
Share capital		
Authorized and issued, 1 common share	1	1
Retained earning	—	—
Total shareholder's equity	1	1

The accompanying note is an integral part of these financial statements

On behalf of the Board:

Director

Director

PROJECT #6916, BEFORE

AFTER

THE ONTARIO AGGREGATE RESOURCES CORPORATION

NOTE TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Formation and Nature of Corporation

The Ontario Aggregate Resources Corporation [the "Corporation"] was incorporated on February 20, 1997. The Corporation's sole shareholder is the Ontario Stone, Sand & Gravel Association [the "OSSGA"] (formerly The Aggregate Producers' Association of Ontario [the "APAO"]), a not-for-profit organization. The Corporation's sole purpose is to act as Trustee of the Aggregate Resources Trust [the "Trust"]. On June 27, 1997, the Corporation and Her Majesty the Queen in Right of the Province of Ontario [the "Crown"], as represented by the Minister of Natural Resources [the "Minister"], entered into a Trust Indenture, appointing the Corporation as Trustee of the Trust.

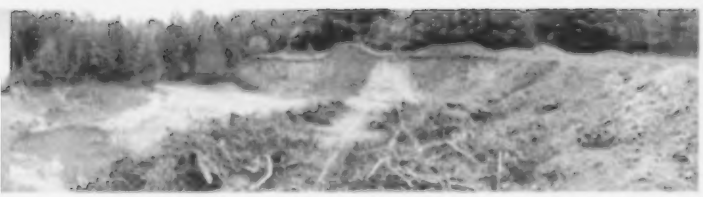
In accordance with the Indenture Agreement, the Corporation manages the administrative expenses as Trustee of the Trust which consists of three funds: the Aggregate Resources Fund, the Rehabilitation Fund and the Abandoned Pits and Quarries Rehabilitation Fund.

The Trust's assets managed by the Corporation, amounting to approximately $20.2 million, are not included in the accompanying balance sheet. The beneficial owner of the Trust's assets is the Crown.

The financial statements do not include an income statement or statement of cash flows as there is no activity recorded in the Corporation as all fees or costs are absorbed by the related Trust.

Basis of Accounting

The financial statements of the Corporation have been prepared in accordance with Canadian accounting standards for private enterprises.



PROJECT #01-034, BEFORE AFTER

AUDITS AND REVOKED STATUS

Production Reporting – Audit Program

TOARC, on behalf of the Trust, initiated an audit program in 2000 to monitor the completeness and accuracy of production reports submitted by licensees and permittees. The program is designed to educate licence and permit holders with respect to their obligations for record keeping under the Aggregate Resources Act in addition to assuring that aggregate production is being reported properly. The audit program is currently being reviewed by the TOARC Board regarding the selection process.

Since the inception of the program, TOARC has audited 794 clients covering 2,523 licences and permits resulting in an additional $1,377,010 of net aggregate resource fees collected.

Revoked Licences and Permits

Under Subsection (v) (i) of the Trust Indenture, TOARC has the responsibility for "the rehabilitation of land for which a Licence or Permit has been revoked and for which final rehabilitation has not been completed". Since inception of the Trust, 102 licences and 225 permits have been revoked. In the case of licences, 77 have been rehabilitated or the files have been closed for other reasons. In the case of permits, 144 have been rehabilitated or closed for other reasons. To date the Trust has expended $890,127 in net direct costs for rehabilitation of revoked sites.

PROFESSIONAL ASSISTANCE

BANKING INSTITUTION
Scotiabank*

INVESTMENT ADVISORS
T.E. Investment Counsel Inc.

INVESTMENT MANAGERS
Burgundy Asset Management Ltd.
Letko Brosseau & Associates Inc.

AUDITORS
BDO Canada LLP

LEGAL COUNSEL
Blakes, Cassels & Graydon LLP

SHAREHOLDER
Ontario Stone, Sand & Gravel Association

SHOWCASED REVITALIZATION PROJECTS

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Pg. 18	08-11	Township of Hungerford, Hastings County
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Pg. 26	15-09A	Township of Egremont, Grey County
Pg. 27	11-07D	Township of Mulmer, Dufferin County
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